

<i>SERFF Tracking Number:</i>	<i>PHYS-127059754</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Physicians Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>49430</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>L07I Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L07I.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design</i>
<i>Product Name:</i>	<i>Graded Benefit Whole Life Insurance</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Filing at a Glance

Company: Physicians Life Insurance Company

Product Name: Graded Benefit Whole Life Insurance SERFF Tr Num: PHYS-127059754 State: Arkansas

TOI: L07I Individual Life - Whole SERFF Status: Closed-Approved-Closed State Tr Num: 49430

Sub-TOI: L07I.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design Co Tr Num: State Status: Approved-Closed

Filing Type: Form Reviewer(s): Linda Bird
 Author: Sonja Morton Disposition Date: 08/05/2011
 Date Submitted: 07/29/2011 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval Implementation Date:
 State Filing Description:

General Information

Project Name:	Status of Filing in Domicile: Pending
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact:	Filing Status Changed: 08/05/2011
	State Status Changed: 08/05/2011
Deemer Date:	Created By: Sonja Morton
Submitted By: Sonja Morton	Corresponding Filing Tracking Number:
Filing Description:	

RE: Physicians Life Insurance Company – NAIC No. 72125; FEIN 47-0529583
 Individual Life Insurance
 L770AA – Graded Benefit Whole Life Insurance Policy
 L771AA – Graded Benefit Whole Life Insurance Policy
 ULA-28-F – Application for Life Insurance
 Actuarial Memorandums

SERFF Tracking Number: *PHYS-127059754* State: *Arkansas*
Filing Company: *Physicians Life Insurance Company* State Tracking Number: *49430*
Company Tracking Number:
TOI: *L071 Individual Life - Whole* Sub-TOI: *L071.201 Early Duration Reduced Benefit - Level
Premium - Any Policy Design*
Product Name: *Graded Benefit Whole Life Insurance*
Project Name/Number: */*

The above captioned forms are submitted for review and approval. The forms are new and do not replace any currently approved forms. To the best of my knowledge the forms comply with all state laws and regulations.

The L770AA and L771AA are identical Graded Benefit Whole Life Insurance policies. The L770AA is a full first month premium policy and the L771AA is a \$1.00 first month premium policy.

The policies are guaranteed issue and will be solicited through our direct response and Agency distribution channels to ages 35 to 85, inclusive. The policies will not be illustrated.

Application ULA-28-F will be used by our direct response distributions to solicit these policies. An application for use by our Agency force will be filed at a later date.

We reserve the right to alter the format of the forms without re-filing due to future technology changes, i.e. paper size, font, font type, line ending or page ending changes. Be assured that any minimum font-size requirements will be met. Any changes to wording or content would be filed for prior approval.

Sincerely,

Sonja Morton
Product Approval and Compliance Coordinator
Government and Industry
Voice: (402) 633-1662
Fax: (402) 633-1096
E-mail: sonja.morton@physiciansmutual.com

Company and Contact

Filing Contact Information

Sonja Morton, Policy Approval & Compliance sonja.morton@physiciansmutual.com
Coordinator
2600 Dodge Street 402-633-1662 [Phone]
Omaha, NE 68131 402-633-1096 [FAX]

Filing Company Information

Physicians Life Insurance Company	CoCode: 72125	State of Domicile: Nebraska
2600 Dodge Street	Group Code: 367	Company Type:
Omaha, NE 68131	Group Name:	State ID Number:
(402) 633-1188 ext. [Phone]	FEIN Number: 47-0529583	

SERFF Tracking Number: PHYS-127059754 State: Arkansas
Filing Company: Physicians Life Insurance Company State Tracking Number: 49430
Company Tracking Number:
TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level
Premium - Any Policy Design
Product Name: Graded Benefit Whole Life Insurance
Project Name/Number: /

Filing Fees

Fee Required? Yes
Fee Amount: \$150.00
Retaliatory? No
Fee Explanation: The filing fee is \$50.00 per form. We are filing three forms (two policies and an application), so the filing fee is \$150.00.
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Physicians Life Insurance Company	\$150.00	07/29/2011	50205835

<i>SERFF Tracking Number:</i>	<i>PHYS-127059754</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Physicians Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>49430</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design</i>
<i>Product Name:</i>	<i>Graded Benefit Whole Life Insurance</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	08/05/2011	08/05/2011

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Linda Bird	08/04/2011	08/04/2011	Sonja Morton	08/04/2011	08/04/2011

<i>SERFF Tracking Number:</i>	<i>PHYS-127059754</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design</i>
<i>Product Name:</i>	<i>Graded Benefit Whole Life Insurance</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Disposition

Disposition Date: 08/05/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: *PHYS-127059754* State: *Arkansas*

Filing Company: *Physicians Life Insurance Company* State Tracking Number: *49430*

Company Tracking Number:

TOI: *L071 Individual Life - Whole* Sub-TOI: *L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design*

Product Name: *Graded Benefit Whole Life Insurance*

Project Name/Number: */*

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	ULA-28-F Variables		Yes
Supporting Document	Certifications		Yes
Supporting Document	Copy of Guaranty Association Notice		Yes
Supporting Document	Copy of Ark. Code Ann. 23-79-138 & Bulletin 15-2009 Compliance		Yes
Form	Graded Benefit Whole Life Insurance Policy		Yes
Form	Graded Benefit Whole Life Insurance Policy		Yes

SERFF Tracking Number: *PHYS-127059754* State: *Arkansas*
Filing Company: *Physicians Life Insurance Company* State Tracking Number: *49430*
Company Tracking Number:
TOI: *L071 Individual Life - Whole* Sub-TOI: *L071.201 Early Duration Reduced Benefit - Level
Premium - Any Policy Design*
Product Name: *Graded Benefit Whole Life Insurance*
Project Name/Number: */*

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/04/2011
Submitted Date 08/04/2011
Respond By Date 09/05/2011

Dear Sonja Morton,

This will acknowledge receipt of the captioned filing.

Objection 1

Comment: Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Please feel free to contact me if you have questions.

Sincerely,
Linda Bird

SERFF Tracking Number: *PHYS-127059754* State: *Arkansas*
Filing Company: *Physicians Life Insurance Company* State Tracking Number: *49430*
Company Tracking Number:
TOI: *L071 Individual Life - Whole* Sub-TOI: *L071.201 Early Duration Reduced Benefit - Level
Premium - Any Policy Design*
Product Name: *Graded Benefit Whole Life Insurance*
Project Name/Number: */*

Response Letter

Response Letter Status Submitted to State
Response Letter Date 08/04/2011
Submitted Date 08/04/2011

Dear Linda Bird,

Comments:

Thank you for your letter. I did have information indicating I should have provided certification with Regulation 19. I apologize for forgetting to include that information. Are the other items also required with each filing? I didn't have anything regarding those items.

Response 1

Comments: Certifications of compliance with Ark. Code Ann. 23-79-138/Bulletin 15-2009, Regulation 49 and Regulation 19s10B are attached to the Supporting Documentation tab.

Copies of the Guaranty Association Notice and the notice sent for compliance with Ark. Code Ann. 23-79-138/Bulletin 15-2009 are also included as Supporting Documentation. The agent information only prints on agent sold policies, and will not print on these direct response sold policies.

Related Objection 1

Comment:

Ark. Code Ann. 23-79-138 requires that certain information accompany every policy. Bulletin 15-2009 further address this issue.

Regulation 49 requires that a Life and Health guaranty notice be given to each policy owner. Please review your issue procedures and assure us that you are in compliance with Regulation 49.

Regulation 19s10B requires that all new or revised filings submitted must contain a certification that the submission meets the provisions of this rule as well as all applicable requirements of this Department.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Certifications

Comment:

SERFF Tracking Number: PHYS-127059754 State: Arkansas

Filing Company: Physicians Life Insurance Company State Tracking Number: 49430

Company Tracking Number:

TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design

Product Name: Graded Benefit Whole Life Insurance

Project Name/Number: /

Form Schedule

Lead Form Number: L770

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	L770AA	Policy/Cont Graded Benefit ract/Fratern Whole Life Insurance al Policy Certificate	Initial		51.100	L770AA.pdf
	L771AA	Policy/Cont Graded Benefit ract/Fratern Whole Life Insurance al Policy Certificate	Initial		51.100	L771AA.pdf

Physicians Life Insurance Company®

2600 DODGE ST – OMAHA, NEBRASKA 68131-2671

A STOCK COMPANY

[1-800-228-9100]

[www.physiciansmutual.com]

INSURED: [Jane Q. Doe]

FACE AMOUNT: [\$5,000]

POLICY DATE: [01-01-2011]

POLICY NUMBER: [083-367-371]

GRADED BENEFIT WHOLE LIFE INSURANCE POLICY

31 DAY RIGHT TO RETURN THIS POLICY:

This Policy is issued in consideration of the application and the initial premium paid. You have 31 days to examine the Policy. If You return it to Us or Our Agent for any reason within 31 days after You receive it, the Policy is void as if no Policy had been issued. We will refund the premium within 10 days after We receive the Policy.

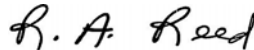
READ YOUR POLICY CAREFULLY

This Policy is a legal contract between You and Us.

The Company guarantees all the benefits of this Policy, as provided herein:



Secretary



President & CEO

- Graded Death Benefit for First Two Years
- Life Insurance Payable at the Death of the Insured
- Premiums Payable to the Maturity Date
- Non-participating – No Dividends

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SCHEDULE OF BENEFITS AND PREMIUMS

Insured: [Jane Q. Doe]	Policy Date: [01-01-2011]
Owner: [John Doe]	Maturity Date: [01-01-2072]
Sex: [Female]	Issue Age: [60]
Policy Number: [083-367-371]	Form: L770AA
Initial Premium: [\$23.95]	Face Amount: [\$5,000]
Beneficiary: See Application or Change of Beneficiary Form	

POLICY DEATH BENEFIT

The Death Benefit payable will be one of the following, depending on the Policy Year in which the Insured dies.

	Death Benefit
First Policy Year 5% of the Face Amount	[\$250]
Second Policy Year 10% of the Face Amount	[\$500]
Third Policy Year Amount and Thereafter	[\$5,000]

RENEWAL PREMIUMS

Monthly Automatic Payments	[\$20.15]
Monthly	[\$23.15]
Quarterly	[\$60.35]
Semi-annual	[\$120.70]
Annual	[\$241.40]

POLICY FEE: All modes include a Policy Fee of \$1.00 per month.

TABLE OF VALUES

THESE ARE YOUR VALUES IF ALL PREMIUMS ARE PAID TO THE END OF THE POLICY YEAR AND THERE IS NO DEBT. VALUES FOR POLICY YEARS NOT SHOWN WILL BE COMPUTED ON THE SAME BASIS AND WILL BE FURNISHED UPON REQUEST.

Insured:		Jane Doe	
Face Amount:		[\$5,000]	
End of Policy Year	Cash or Loan Value	Extended Term Insurance	
		Years	Days
01	\$0	0	0
02	\$75	1	215
03	\$175	3	143
04	\$275	4	321
05	\$380	6	56
06	\$485	7	61
07	\$595	8	16
08	\$705	8	261
09	\$820	9	111
10	\$930	9	260
11	\$1,050	10	39
12	\$1,165	10	112
13	\$1,280	10	157
14	\$1,400	10	189
15	\$1,520	10	200
16	\$1,640	10	192
17	\$1,765	10	177
18	\$1,885	10	132
19	\$2,010	10	88
20	\$2,130	10	28

CASH VALUES AND EXTENDED TERM INSURANCE VALUES ARE BASED ON THE COMMISSIONERS 2001 STANDARD ORDINARY MORTALITY TABLE, AGE LAST BIRTHDAY, AND THE INSURED'S SEX WITH INTEREST AT 5%.

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CONTRACT

In this Policy, the Owner is referred to as “You” or “Your”. Physicians Life Insurance Company is referred to as “We”, “Us”, “Our” or “Company”.

The Entire Contract: The Entire Contract of insurance (Policy) includes the attached application and any riders signed by a Company Officer. This is a contract of life insurance between You and Us. No agent can change any of its terms. Statements made in the application will be deemed representations and not warranties. No statement, unless it is in the application, will be used by Us to contest this Policy or deny a claim.

Incontestability: We will not contest the validity of this Policy after it has been in force during the lifetime of the Insured for two years from the Policy Date, (or as explained in the section entitled REINSTATEMENT), except for any rider that has a separate Incontestability clause.

Policy Dates and Anniversaries: Policy Months, Years, and Anniversaries are measured from the Policy Date shown on the SCHEDULE OF BENEFITS AND PREMIUMS.

Misstatement of Age or Sex: If the Insured's age or sex is stated incorrectly, any amount payable will be the amount that the premiums paid would have purchased at the correct age and sex.

Assignment: If an assignment is received and acknowledged by Us, Your rights and those of any Beneficiary are subject to it. We are not responsible for the validity of any assignment. No assignment will be binding on Us until We receive and acknowledge it. The right of any Beneficiary will be subject to any assignments.

Ownership and Control: While the Insured is alive, only the Owner of the Policy may exercise the rights of the Policy.

Dividends: This Policy is non-participating and does not pay dividends.

DEATH BENEFIT

If the Insured dies while the Policy is in force, We will pay:

The Death Benefit shown in the SCHEDULE OF BENEFITS AND PREMIUMS and any benefits provided by riders, less any Policy Debt (Policy loan plus accrued interest), if all needed premiums have been paid. Any premium paid for the period beyond the Policy Month in which the Insured dies will be refunded to the Beneficiary as part of the Death Benefit. If death occurs on the premium due date or in the Grace Period, the premium for the Policy Month in which the death occurs will be deducted from the Death Benefit.

If the Insured dies in the First or Second Policy Year, the Death Benefit is the Graded Death Benefit. In the Third Policy Year or thereafter, the Death Benefit is the full Face Amount.

The Graded Death Benefit payable depends on the Policy Year in which the Insured dies. The Graded Death Benefit is 5% of the Face Amount of the Policy if the Insured dies in the First Policy Year, or 10% of the Face Amount of the Policy if the Insured dies in the Second Policy Year.

Beneficiary: The Beneficiary receives the Death Benefit when the Insured dies. The Beneficiary is named in the application and may be changed as described below. If no Beneficiary is named, the Death Benefit will be paid to the Insured's estate.

You can request to change or add Beneficiaries during the Insured's lifetime by sending Us a written request. When the request has been accepted, recorded, and acknowledged by Us, the change will become effective as of the date of the request. We are not responsible for any action We take before the change is accepted, recorded, and acknowledged by Us. An irrevocable Beneficiary can be changed only by written permission of the Beneficiary.

A Beneficiary's interest in the Policy ends if the Beneficiary dies before the Insured. If more than one Beneficiary has been named, benefits are equally divided unless You have directed otherwise.

Payment of Claims: We will pay the Beneficiary upon receipt of due proof of death, and no later than two months after receipt of such proof. If required, We will pay interest on death proceeds according to the requirements of your state. The rate of interest is not less than that required by law.

The Death Benefit is payable at Our Home Office, or by mail from Our Home Office. It will be paid in a single sum, or in any manner agreed to by the Beneficiary and Us, unless You have directed otherwise.

To the extent allowed by law, the Death Benefit is exempt from the claims of any creditors of the Beneficiary, and also from any legal process against the Beneficiary.

PREMIUM PAYMENTS

All premiums are payable in advance at Our Home Office. You may pay by any payment plan shown on the SCHEDULE OF BENEFITS AND PREMIUMS.

First Premium/Policy Issue: When You pay the first premium, this Policy goes into effect on the Policy Date.

Grace Period: We will allow a Grace Period of 31 days for the payment of each premium except the first. This Policy will remain in force during the Grace Period. We must accept Your premium if We receive it before the Grace Period ends. If the Insured dies on the premium due date or during the Grace Period, the premium for the Policy Month in which death occurs will be deducted from the Death Benefit.

Late Payment: If We do not receive Your premium before the Grace Period ends, all coverage stops on the due date of the unpaid premium, subject to the CASH VALUE BENEFITS Provision. This is a lapse.

REINSTATEMENT

You can ask Us to restore Your Policy within three years of lapse, if it has not been surrendered. This is a reinstatement. The conditions for reinstatement are:

- (a) You must make written application for reinstatement;
- (b) All past due premiums must be paid (We can charge interest of 6% compounded annually on those past due premiums);
- (c) Any Policy Debt existing at the time of lapse must be repaid or reinstated; and
- (d) Evidence of insurability acceptable to Us may be required. Such proof will not be required if reinstatement is requested within 6 months of the Extended Term Insurance effective date.

We cannot contest the validity of a reinstatement after the reinstated Policy has been in force during the lifetime of the Insured for two years from the reinstatement date. Statements made in the reinstatement application will be considered representations and not warranties. No statement, unless it is in the reinstatement application, will be used by Us to contest this Policy or deny a claim.

POLICY LOANS AND REPAYMENTS

Policy Loans: You have the right to obtain a loan for part of the Cash Value less: a) the interest to the end of the Policy year; b) any existing loan; and c) any premium due. The Policy must be assigned to Us as sole security for the loan. We can by law, defer making a Policy Loan for six months, unless the loan is to pay premiums to Us.

The interest charge is 7.4% compounded annually, payable in advance to the next Policy Anniversary. If unpaid, the interest is added to Your loan balance. If the loan balance equals or exceeds the Cash Value, We will send notice to Your last known address and to any Assignees on record. If We do not receive a payment that reduces the loan balance to less than the Cash Value, Your coverage stops 31 days after We send the notice.

Automatic Premium Loan: Any premium not paid within 31 days after the due date can be automatically paid through a Policy Loan. You must choose this option in advance and Your Cash Surrender Value must be enough to pay the premium due. If Your Cash Surrender Value is not enough to pay the premium due, We will change the interval to allow payment of the next smaller premium; however, no loan will be less than a monthly premium.

You may elect this option on Your application or at any time by filing a written request with Us before any premium is 31 days overdue. Once elected, this option remains in effect until revoked. You may revoke this option at any time by filing a written request with Us.

CASH VALUE BENEFITS

The Cash Value during a Policy Year will be based on the time elapsed and the premium paid. (Please refer to the TABLE OF VALUES for further details.) The Cash Value, less any Policy Debt, is Your Cash Surrender Value. You will not forfeit the Cash Surrender Value in Your Policy if You stop paying premiums. You may elect to use the Cash Surrender Value for the benefits described in this section.

The values of these benefits are computed using the Standard Nonforfeiture Value Method, based on the effective annual Cash Value interest rate and the mortality table specified in the TABLE OF VALUES. A detailed statement of the methods for calculating these values has been properly filed in the state where the Policy is delivered. All of these values are equal to or greater than those required by law.

Policy Surrender for Cash: While the Insured is alive, You may surrender the Policy for the Cash Surrender Value. This is permanent cancellation of the Policy. Only You can surrender the Policy, subject to the right of any assignee.

If surrender occurs within 31 days after a Policy Anniversary, the Cash Surrender Value shall be the Cash Surrender Value as of that Policy Anniversary. We will pay the Cash Surrender Value on the date of surrender. However, We can, by law, delay payment for up to six months.

Extended Term Insurance: If You stop paying premiums and You do not surrender the Policy within 60 days after the due date of the unpaid premium, the Extended Term Insurance option will be effective on the date of the unpaid premium. Under this option the Policy will continue as term insurance for the Death Benefit less any Policy Debt on the date the option is effective. First, the Cash Value will be used to repay any loans. Then the length of the term period of the Extended Term Insurance is calculated based on what the Cash Surrender Value will purchase as a net single premium. When this Extended Term Insurance is in force You may surrender this Policy for the net present value of the remaining Extended Term Insurance benefits. No loans are available on Extended Term Insurance.

Any insurance continued under the Extended Term Insurance option does not include benefits for any riders attached to this Policy, unless these options are specifically granted within the rider.

Proceeds Payable at Maturity: If the Insured is living on the Maturity Date, We will pay the Cash Surrender Value to the Owner and the Policy will be terminated.

SETTLEMENT OPTIONS

The Death Benefit will be paid in a single sum or the proceeds may be held under the Interest Option listed below. While the Insured is alive, You may elect this option for the Beneficiary by providing Us with written notice. If no election is in effect when the Insured dies, the Beneficiary may make the election.

Interest Option: The proceeds may be left with Us during the lifetime of the payee or for a specified period not exceeding 30 years with interest payable as agreed upon, or credited annually and added to the proceeds. At the end of the specified period, the proceeds will become payable to the payee; or upon the death of the payee, the proceeds will be paid as previously agreed upon. The guaranteed annual effective rate of interest is 3%. Additional interest may be paid or credited annually as approved by the Board of Directors.

A Supplementary Contract will be issued in exchange for this Policy. The Effective Date of the Supplementary Contract will be the date of the Insured's death.

Frequency of Payments and Minimum Payment Size: The payee may elect to receive payments annually, semi-annually, quarterly, or monthly. If the amount held by Us will not provide periodic payments of at least \$50, the frequency will be changed so that payments will be at least \$50, or else a single sum payment will be made.

Graded Benefit Whole Life Insurance Policy

- Graded Death Benefit for First Two Years
- Life Insurance Payable at the Death of the Insured
- Premiums Payable to the Maturity Date
- Non-participating – No Dividends

Physicians Life Insurance Company®

2600 DODGE ST – OMAHA, NEBRASKA 68131-2671

A STOCK COMPANY

[1-800-228-9100]

[www.physiciansmutual.com]

INSURED: [Jane Q. Doe]

FACE AMOUNT: [\$5,000]

POLICY DATE: [01-01-2011]

POLICY NUMBER: [083-367-371]

GRADED BENEFIT WHOLE LIFE INSURANCE POLICY

31 DAY RIGHT TO RETURN THIS POLICY:

This Policy is issued in consideration of the application and the initial premium paid. You have 31 days to examine the Policy. If You return it to Us or Our Agent for any reason within 31 days after You receive it, the Policy is void as if no Policy had been issued. We will refund the premium within 10 days after We receive the Policy.

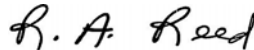
READ YOUR POLICY CAREFULLY

This Policy is a legal contract between You and Us.

The Company guarantees all the benefits of this Policy, as provided herein:



Secretary



President & CEO

- Graded Death Benefit for First Two Years
- Life Insurance Payable at the Death of the Insured
- Premiums Payable to the Maturity Date
- Non-participating – No Dividends

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SCHEDULE OF BENEFITS AND PREMIUMS

Insured: [Jane Q. Doe]	Policy Date: [01-01-2011]
Owner: [John Doe]	Maturity Date: [01-01-2072]
Sex: [Female]	Issue Age: [60]
Policy Number: [083-367-371]	Form: L771AA
Initial Premium: [\$23.95]	Face Amount: [\$5,000]
Beneficiary: See Application or Change of Beneficiary Form	

POLICY DEATH BENEFIT

The Death Benefit payable will be one of the following, depending on the Policy Year in which the Insured dies.

	Death Benefit
First Policy Year 5% of the Face Amount	[\$250]
Second Policy Year 10% of the Face Amount	[\$500]
Third Policy Year Amount and Thereafter	[\$5,000]

RENEWAL PREMIUMS

Monthly Automatic Payments	[\$20.15]
Monthly	[\$23.15]
Quarterly	[\$60.35]
Semi-annual	[\$120.70]
Annual	[\$241.40]

POLICY FEE: All modes include a Policy Fee of \$1.00 per month.

TABLE OF VALUES

THESE ARE YOUR VALUES IF ALL PREMIUMS ARE PAID TO THE END OF THE POLICY YEAR AND THERE IS NO DEBT. VALUES FOR POLICY YEARS NOT SHOWN WILL BE COMPUTED ON THE SAME BASIS AND WILL BE FURNISHED UPON REQUEST.

Insured:		Jane Doe	
Face Amount:		[\$5,000]	
End of Policy Year	Cash or Loan Value	Extended Term Insurance	
		Years	Days
01	\$0	0	0
02	\$75	1	215
03	\$175	3	143
04	\$275	4	321
05	\$380	6	56
06	\$485	7	61
07	\$595	8	16
08	\$705	8	261
09	\$820	9	111
10	\$930	9	260
11	\$1,050	10	39
12	\$1,165	10	112
13	\$1,280	10	157
14	\$1,400	10	189
15	\$1,520	10	200
16	\$1,640	10	192
17	\$1,765	10	177
18	\$1,885	10	132
19	\$2,010	10	88
20	\$2,130	10	28

CASH VALUES AND EXTENDED TERM INSURANCE VALUES ARE BASED ON THE
COMMISSIONERS 2001 STANDARD ORDINARY MORTALITY TABLE, AGE LAST BIRTHDAY,
AND THE INSURED'S SEX WITH INTEREST AT 5%.

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CONTRACT

In this Policy, the Owner is referred to as “You” or “Your”. Physicians Life Insurance Company is referred to as “We”, “Us”, “Our” or “Company”.

The Entire Contract: The Entire Contract of insurance (Policy) includes the attached application and any riders signed by a Company Officer. This is a contract of life insurance between You and Us. No agent can change any of its terms. Statements made in the application will be deemed representations and not warranties. No statement, unless it is in the application, will be used by Us to contest this Policy or deny a claim.

Incontestability: We will not contest the validity of this Policy after it has been in force during the lifetime of the Insured for two years from the Policy Date, (or as explained in the section entitled REINSTATEMENT), except for any rider that has a separate Incontestability clause.

Policy Dates and Anniversaries: Policy Months, Years, and Anniversaries are measured from the Policy Date shown on the SCHEDULE OF BENEFITS AND PREMIUMS.

Misstatement of Age or Sex: If the Insured's age or sex is stated incorrectly, any amount payable will be the amount that the premiums paid would have purchased at the correct age and sex.

Assignment: If an assignment is received and acknowledged by Us, Your rights and those of any Beneficiary are subject to it. We are not responsible for the validity of any assignment. No assignment will be binding on Us until We receive and acknowledge it. The right of any Beneficiary will be subject to any assignments.

Ownership and Control: While the Insured is alive, only the Owner of the Policy may exercise the rights of the Policy.

Dividends: This Policy is non-participating and does not pay dividends.

DEATH BENEFIT

If the Insured dies while the Policy is in force, We will pay:

The Death Benefit shown in the SCHEDULE OF BENEFITS AND PREMIUMS and any benefits provided by riders, less any Policy Debt (Policy loan plus accrued interest), if all needed premiums have been paid. Any premium paid for the period beyond the Policy Month in which the Insured dies will be refunded to the Beneficiary as part of the Death Benefit. If death occurs on the premium due date or in the Grace Period, the premium for the Policy Month in which the death occurs will be deducted from the Death Benefit.

If the Insured dies in the First or Second Policy Year, the Death Benefit is the Graded Death Benefit. In the Third Policy Year or thereafter, the Death Benefit is the full Face Amount.

The Graded Death Benefit payable depends on the Policy Year in which the Insured dies. The Graded Death Benefit is 5% of the Face Amount of the Policy if the Insured dies in the First Policy Year, or 10% of the Face Amount of the Policy if the Insured dies in the Second Policy Year.

Beneficiary: The Beneficiary receives the Death Benefit when the Insured dies. The Beneficiary is named in the application and may be changed as described below. If no Beneficiary is named, the Death Benefit will be paid to the Insured's estate.

You can request to change or add Beneficiaries during the Insured's lifetime by sending Us a written request. When the request has been accepted, recorded, and acknowledged by Us, the change will become effective as of the date of the request. We are not responsible for any action We take before the change is accepted, recorded, and acknowledged by Us. An irrevocable Beneficiary can be changed only by written permission of the Beneficiary.

A Beneficiary's interest in the Policy ends if the Beneficiary dies before the Insured. If more than one Beneficiary has been named, benefits are equally divided unless You have directed otherwise.

Payment of Claims: We will pay the Beneficiary upon receipt of due proof of death, and no later than two months after receipt of such proof. If required, We will pay interest on death proceeds according to the requirements of your state. The rate of interest is not less than that required by law.

The Death Benefit is payable at Our Home Office, or by mail from Our Home Office. It will be paid in a single sum, or in any manner agreed to by the Beneficiary and Us, unless You have directed otherwise.

To the extent allowed by law, the Death Benefit is exempt from the claims of any creditors of the Beneficiary, and also from any legal process against the Beneficiary.

PREMIUM PAYMENTS

All premiums are payable in advance at Our Home Office. You may pay by any payment plan shown on the SCHEDULE OF BENEFITS AND PREMIUMS.

First Premium/Policy Issue: When You pay the first premium, this Policy goes into effect on the Policy Date.

Grace Period: We will allow a Grace Period of 31 days for the payment of each premium except the first. This Policy will remain in force during the Grace Period. We must accept Your premium if We receive it before the Grace Period ends. If the Insured dies on the premium due date or during the Grace Period, the premium for the Policy Month in which death occurs will be deducted from the Death Benefit.

Late Payment: If We do not receive Your premium before the Grace Period ends, all coverage stops on the due date of the unpaid premium, subject to the CASH VALUE BENEFITS Provision. This is a lapse.

REINSTATEMENT

You can ask Us to restore Your Policy within three years of lapse, if it has not been surrendered. This is a reinstatement. The conditions for reinstatement are:

- (a) You must make written application for reinstatement;
- (b) All past due premiums must be paid (We can charge interest of 6% compounded annually on those past due premiums);
- (c) Any Policy Debt existing at the time of lapse must be repaid or reinstated; and
- (d) Evidence of insurability acceptable to Us may be required. Such proof will not be required if reinstatement is requested within 6 months of the Extended Term Insurance effective date.

We cannot contest the validity of a reinstatement after the reinstated Policy has been in force during the lifetime of the Insured for two years from the reinstatement date. Statements made in the reinstatement application will be considered representations and not warranties. No statement, unless it is in the reinstatement application, will be used by Us to contest this Policy or deny a claim.

POLICY LOANS AND REPAYMENTS

Policy Loans: You have the right to obtain a loan for part of the Cash Value less: a) the interest to the end of the Policy year; b) any existing loan; and c) any premium due. The Policy must be assigned to Us as sole security for the loan. We can by law, defer making a Policy Loan for six months, unless the loan is to pay premiums to Us.

The interest charge is 7.4% compounded annually, payable in advance to the next Policy Anniversary. If unpaid, the interest is added to Your loan balance. If the loan balance equals or exceeds the Cash Value, We will send notice to Your last known address and to any Assignees on record. If We do not receive a payment that reduces the loan balance to less than the Cash Value, Your coverage stops 31 days after We send the notice.

Automatic Premium Loan: Any premium not paid within 31 days after the due date can be automatically paid through a Policy Loan. You must choose this option in advance and Your Cash Surrender Value must be enough to pay the premium due. If Your Cash Surrender Value is not enough to pay the premium due, We will change the interval to allow payment of the next smaller premium; however, no loan will be less than a monthly premium.

You may elect this option on Your application or at any time by filing a written request with Us before any premium is 31 days overdue. Once elected, this option remains in effect until revoked. You may revoke this option at any time by filing a written request with Us.

CASH VALUE BENEFITS

The Cash Value during a Policy Year will be based on the time elapsed and the premium paid. (Please refer to the TABLE OF VALUES for further details.) The Cash Value, less any Policy Debt, is Your Cash Surrender Value. You will not forfeit the Cash Surrender Value in Your Policy if You stop paying premiums. You may elect to use the Cash Surrender Value for the benefits described in this section.

The values of these benefits are computed using the Standard Nonforfeiture Value Method, based on the effective annual Cash Value interest rate and the mortality table specified in the TABLE OF VALUES. A detailed statement of the methods for calculating these values has been properly filed in the state where the Policy is delivered. All of these values are equal to or greater than those required by law.

Policy Surrender for Cash: While the Insured is alive, You may surrender the Policy for the Cash Surrender Value. This is permanent cancellation of the Policy. Only You can surrender the Policy, subject to the right of any assignee.

If surrender occurs within 31 days after a Policy Anniversary, the Cash Surrender Value shall be the Cash Surrender Value as of that Policy Anniversary. We will pay the Cash Surrender Value on the date of surrender. However, We can, by law, delay payment for up to six months.

Extended Term Insurance: If You stop paying premiums and You do not surrender the Policy within 60 days after the due date of the unpaid premium, the Extended Term Insurance option will be effective on the date of the unpaid premium. Under this option the Policy will continue as term insurance for the Death Benefit less any Policy Debt on the date the option is effective. First, the Cash Value will be used to repay any loans. Then the length of the term period of the Extended Term Insurance is calculated based on what the Cash Surrender Value will purchase as a net single premium. When this Extended Term Insurance is in force You may surrender this Policy for the net present value of the remaining Extended Term Insurance benefits. No loans are available on Extended Term Insurance.

Any insurance continued under the Extended Term Insurance option does not include benefits for any riders attached to this Policy, unless these options are specifically granted within the rider.

Proceeds Payable at Maturity: If the Insured is living on the Maturity Date, We will pay the Cash Surrender Value to the Owner and the Policy will be terminated.

SETTLEMENT OPTIONS

The Death Benefit will be paid in a single sum or the proceeds may be held under the Interest Option listed below. While the Insured is alive, You may elect this option for the Beneficiary by providing Us with written notice. If no election is in effect when the Insured dies, the Beneficiary may make the election.

Interest Option: The proceeds may be left with Us during the lifetime of the payee or for a specified period not exceeding 30 years with interest payable as agreed upon, or credited annually and added to the proceeds. At the end of the specified period, the proceeds will become payable to the payee; or upon the death of the payee, the proceeds will be paid as previously agreed upon. The guaranteed annual effective rate of interest is 3%. Additional interest may be paid or credited annually as approved by the Board of Directors.

A Supplementary Contract will be issued in exchange for this Policy. The Effective Date of the Supplementary Contract will be the date of the Insured's death.

Frequency of Payments and Minimum Payment Size: The payee may elect to receive payments annually, semi-annually, quarterly, or monthly. If the amount held by Us will not provide periodic payments of at least \$50, the frequency will be changed so that payments will be at least \$50, or else a single sum payment will be made.

Graded Benefit Whole Life Insurance Policy

- Graded Death Benefit for First Two Years
- Life Insurance Payable at the Death of the Insured
- Premiums Payable to the Maturity Date
- Non-participating – No Dividends

<i>SERFF Tracking Number:</i>	<i>PHYS-127059754</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Physicians Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>49430</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>L071 Individual Life - Whole</i>	<i>Sub-TOI:</i>	<i>L071.201 Early Duration Reduced Benefit - Level Premium - Any Policy Design</i>
<i>Product Name:</i>	<i>Graded Benefit Whole Life Insurance</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Flesch Certification		
Comments:		
Attachment:		
L770AA Arkansas Flesch.pdf		

	Item Status:	Status Date:
Satisfied - Item: Application		
Comments:		
Attachment:		
ULA28-F.pdf		

	Item Status:	Status Date:
Satisfied - Item: Life & Annuity - Actuarial Memo		
Comments:		
Attachments:		
L770AA Actuarial Memorandum.pdf		
L771AA Actuarial Memorandum.pdf		

	Item Status:	Status Date:
Satisfied - Item: ULA-28-F Variables		
Comments:		
Attachment:		
ULA_28_standard variables.pdf		

	Item Status:	Status Date:
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SERFF Tracking Number: PHYS-127059754 State: Arkansas
Filing Company: Physicians Life Insurance Company State Tracking Number: 49430
Company Tracking Number:
TOI: L071 Individual Life - Whole Sub-TOI: L071.201 Early Duration Reduced Benefit - Level
Premium - Any Policy Design

Product Name: Graded Benefit Whole Life Insurance
Project Name/Number: /

Satisfied - Item: Certifications

Comments:

Attachments:

Ark. Code Ann. 23-79-138 & Bulletin 15-2009 Certification.pdf
AR Guaranty Association Certification.pdf
AR Regulation 19s10B Certification.pdf

Item Status: **Status**
Date:

Satisfied - Item: Copy of Guaranty Association
Notice

Comments:

Attachment:

AR Guaranty Association Notice.pdf

Item Status: **Status**
Date:

Satisfied - Item: Copy of Ark. Code Ann. 23-79-138
& Bulletin 15-2009 Compliance

Comments:

Attachment:

ALL390.pdf

PHYSICIANS LIFE INSURANCE COMPANY

OMAHA, NEBRASKA

Certification of Flesch

The forms have the following Flesch Readability Score:

<u>Form Number</u>	<u>Flesch Score</u>
L770AA	51.1
L771AA	51.1
ULA-28-F	46.6

the insurer; name, number and
y; defined terms.



Vice President
Government & Industry

07-29-11
Date

APPLICATION For Policy LXXX

Physicians Life Insurance Company, 2600 Dodge St., Omaha, NE 68131-2671

Name: _____ ☐ Male ☐ Female Phone: _____
(First Name) (Middle Initial) (Last Name)

Address: _____
Street Apt. No. City State ZIP Code

1. Date of Birth: _____ / _____ / _____ Age: _____
Month Day Year

2. I wish to apply for: ☐ \$X,XXX.XX ☐ \$X,XXX.XX ☐ \$X,XXX.XX Modified Whole Life Insurance
Yes, I wish to purchase the (optional name of) rider: ☐ \$X,XXX.XX ☐ \$X,XXX.XX ☐ \$X,XXX.XX LRXX

3. Beneficiary: _____
(First Name) (Middle Initial) (Last Name)

Beneficiary's Relationship To Me: _____
(Person to be paid at my death, if no beneficiary is named, the beneficiary will be the insured's estate.)

4. Will this policy, if issued replace, discontinue or change any life insurance or annuity now in force?
Yes _____ No _____ If "yes," please list company name and policy number: _____

[] I understand that my coverage will not become effective until my application has been received and accepted by Physicians Life Insurance Company and my initial premium has been paid during my lifetime. The effective date of coverage will be the Policy Date shown in the policy that I will receive. I also understand that a reduced death benefit is payable during the first [two] policy years if death results from natural causes. The full-face amount is payable if death results from an accident.
Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Signature: (Please Do Not Print) _____ Date: _____
ULA-28-F 999999999999 v99 999 9999999999999999 999 999999

1. May add/change/delete/move the layout, format and copy pertaining to the Insured, Spouse, and Beneficiary: Name, Address, Phone #, Date of Birth, Age, E-mail Address, etc.
2. May add/change/delete/move formatting of dollar amount and number of options offered. Example of dollar amount and number of option combinations: \$10/7/5/3, \$10/7/5, \$10/7, \$7/5/3, \$7/5, \$5/3.
3. May add/change/ delete/move copy in front of benefit options "I wish to apply for:"
4. May add/change/delete/move rider combinations with varying dollar amounts and may move, rearrange and change format. Rider combination numbers may change in the attestation depending on option combinations.
5. May change the dimensions of the form to varying horizontal format, or vertical format. May change the font style in the layout. May rearrange the layout and format. May add/change /delete/move boxes and heading boxes.
6. May add/change/ delete/move the format of the reply by date. "Please Respond Within 10 Days".
7. May add/change/delete/move/ or substitute applicable language for Variable Payment Options copy. Variable Payment Options will include monthly, quarterly, semiannual, annual, credit card billing (where available), electronic fund transfer, and direct billing. These may be used singularly or in combination. This would include adding/changing/deleting/moving copy for account numbers, expiration dates, "Make check or money order payable to PHYSICIANS LIFE INSURANCE COMPANY", account/client name/financial institute, combining two different payment options, credit card number/expiration date, credit card holders signature line and "*Direct billing available." as appropriate.
8. May add/change/delete/move variable payment copy for credit card, electronic file transfer (automatic bank withdrawal), & Third Party pay copy in the attestation as needed. After "I UNDERSTAND this policy will not become effective etc . . ." sentence, may add/remove copy: "I acknowledge receipt of the Consumer Disclosures on the Sale of Insurance."
9. May say "my lifetime" or "the lifetime of the insured" depending on the offer/promotion.
10. May add/change/delete/move the premium rates.
11. May add/change/delete/move the format of the internal coding.
12. May change/move the signature line, credit card signature line, and date depending on varying format.
13. May add/change/delete/move the plan name, company address, client logo, and/or company logo.
14. May add/change/delete/move the following copy for automatic premium payment loan options when available: "In the event of non-payment of premiums, I wish to use part of my cash value (if any) as a loan to pay the past due amount to keep my coverage in force. _ Yes _ No"
15. May add/change/delete/move copy above signature line in application: "I ACKNOWLEDGE THIS INSURANCE IS NOT A DEPOSIT OR OTHER OBLIGATION OF, OR GUARANTEED BY CITIBANK, OR ITS AFFILIATES AND IS NOT FDIC INSURED, AND NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY, OR CITIBANK OR ITS AFFILIATES."
16. May add/change/delete the policy kind in the copy.
17. May change the reduced death benefit number of years shown in the attestation to reflect the policy being marketed.



August 4, 2011

CERTIFICATION

**RE: L770AR/L771AA – Graded Benefit Whole Life Insurance Policy Filing
Ark. Code Ann. 23-79-138 and Bulletin 15-2009**

This is to certify that the information required by Ark. Code Ann. 23-79-138 and Bulletin 15-2009 is provide with every policy issued in Arkansas.

A handwritten signature in black ink that reads 'Shawn Pollock'. The signature is fluid and cursive, with the first letters of 'Shawn' and 'Pollock' being capitalized and prominent.

Shawn Pollock
Physicians Life Insurance Company
Vice President
Government and Industry



August 4, 2011

CERTIFICATION

**RE: L770AR/L771AA – Graded Benefit Whole Life Insurance Policy Filing
Regulation 49 – Guaranty Association Notice**

This is to certify that the Arkansas Guaranty Association Notice is given to each policy owner.

A handwritten signature in black ink, reading 'Shawn Pollock'. The signature is fluid and cursive, with the first letters of 'Shawn' and 'Pollock' being capitalized and prominent.

Shawn Pollock
Physicians Life Insurance Company
Vice President
Government and Industry



August 4, 2011

CERTIFICATION

**RE: L770AR/L771AA – Graded Benefit Whole Life Insurance Policy Filing
Regulation 19s10B**

This is to certify that the above captioned filing complies with Arkansas Regulation 19 and all other applicable requirements of the Arkansas Insurance Department.

A handwritten signature in black ink, reading 'Shawn Pollock'. The signature is fluid and cursive, with the first letters of 'Shawn' and 'Pollock' being capitalized and prominent.

Shawn Pollock
Physicians Life Insurance Company
Vice President
Government and Industry

**Physicians Mutual Insurance Company
Physicians Life Insurance Company**
2600 Dodge Street
Omaha, Nebraska 68131

**LIMITATIONS AND EXCLUSIONS UNDER THE
ARKANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION ACT**

Residents of this state who purchase life insurance, annuities or health or accident insurance should know that the insurance companies licensed in this state to write these types of insurance are members of the Arkansas Life and Health Insurance Guaranty Association. The purpose of this Association is to assure that policyholders will be protected, within certain limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guaranty Association will assess its other member insurance companies for the money to pay the claims of insured policyowners who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided by the member insurers through the Guaranty Association is not unlimited, however. And, as noted below, this protection is not a substitute for consumers' care in selecting companies that are well-managed and financially stable.

DISCLAIMER

The Arkansas Life and Health Insurance Guaranty Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in the state. You should not rely on coverage by the Arkansas Life and Health Insurance Guaranty Association in purchasing an insurance policy or contract.

Coverage is *NOT* provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract.

Insurance companies or their agents are required by law to give or send you this notice.

The Arkansas Life and Health Insurance Guaranty Association
c/o The Liquidation Division
1023 West Capitol, Suite 2
Little Rock, Arkansas 72201

Arkansas Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-1904

The state law that provides for this safety-net coverage is called the Arkansas Life and Health Insurance Guaranty Association Act. Below is a brief summary of the Act's coverages, exclusions and limits. This summary does not cover all provisions of the Act; nor does it in any way change anyone's rights or obligations under the act or the rights or obligations of the Guaranty Association.

COVERAGE

Generally, individuals will be protected by the Life and Health Insurance Guaranty Association if they live in this state and hold a life or health or accident insurance, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of policyowners are protected as well, even if they live in another state.

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by the Guaranty Association if:

- they are eligible for protection under the laws of another state (this may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state);
- the insurer was not authorized to do business in this state;
- their policy was issued by a nonprofit hospital or medical service organization, an HMO, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company or similar plan in which the policyholder is subject to future assessments, or by an insurance exchange.

The Guaranty Association also does **not** provide coverage for:

- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as non-guaranteed amounts held in a separate account under a variable life or variable annuity contract;
- any policy of reinsurance (unless an assumption certificate was issued);
- interest rate yields that exceed an average rate;
- dividends and voting rights and experience rating credits;
- credits given in connection with the administration of a policy by a group contract holder;
- employers' plans to the extent they are self-funded (that is, not insured by an insurance company, even if an insurance company administers them);
- unallocated annuity contracts (which give rights to group contract holders, not individuals);
- unallocated annuity contracts issued to/in connection with benefit plans protected under Federal Pension Benefit Corporation ("FPBC") (whether the FPBC is yet liable or not);
- portions of an unallocated annuity contract not owned by a benefit plan or a government lottery (unless the owner is a resident) or issued to a collective investment trust or similar pooled fund offered by a bank or other financial institution);
- portions of a policy or contract to the extent assessments required by law for the Guaranty Association are preempted by State or Federal law;
- obligations that do not arise under the policy or contract, including claims based on marketing materials or side letters, riders, or other documents which do not meet filing requirements, or claims for policy misrepresentations, or extra-contractual or penalty claims;
- contractual agreements establishing the member insurer's obligations to provide book value accounting guarantees for defined contribution benefit plan participants (by reference to a portfolio of assets owned by a nonaffiliate benefit plan or its trustees).

LIMITS ON AMOUNT OF COVERAGE

The Act also limits the amount the Guaranty Association is obligated to cover: The Guaranty Association cannot pay more than what the insurance company would owe under a policy or contract. Also, for any one insured life, the Guaranty Association will pay a maximum of \$300,000 no matter how many policies and contracts there were with the same company, even if they provided different types of coverages. Within this overall \$300,000 limit, the Association will not pay more than \$300,000 in health insurance benefits, \$300,000 in present value of annuity benefits, or \$300,000 in life insurance death benefits or net cash surrender values - again, no matter how many policies and contracts there were with the same company, and no matter how many different types of coverages. There is a \$1,000,000 limit with respect to any contract holder for unallocated annuity benefits, irrespective of the number of contracts held by the contract holder. These are limitations for which the Guaranty Association is obligated before taking into account either its subrogation and assignment rights or the extent to which those benefits could be provided out of the assets of the impaired or insolvent insurer.

PM-1850

Questions or Concerns??

About Your

Physicians Mutual or Physicians Life Policy

Please Contact Us At:

Physicians Mutual Insurance Company
Physicians Life Insurance Company
2600 Dodge Street
Omaha, NE 68131
Telephone: 1-800-228-9100

[Agent's Name]
[Agent's Address]
[Agent's Telephone Number]

If we at Physicians Mutual and Physicians Life Insurance Companies fail to provide you with reasonable and adequate service, you should feel free to contact:

Arkansas Insurance Department
Consumer Services Division
1200 West Third Street
Little Rock, AR 72201-1904
Telephone: (501)-371-2640
1-800-852-5494